

MOTION NO. M2015-33

**Amendments to Agreements with the City of Bellevue related to the East Link Extension and an Agreement with the City of Bellevue and King County**

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Board	04/23/15	Final Action	Ahmad Fazel, DECM Executive Director <b>Ron Lewis, East Link Executive Project Director</b> <b>Don Billen, PEPD Capital Project Development Director</b>

**PROPOSED ACTION**

Authorizes the chief executive officer to (1) execute amendments to the Umbrella Memorandum of Understanding and Transit Way Agreement with the City of Bellevue to address permitting, project coordination, a potential Bellevue OMSF, financial terms, and maintenance of the East Link project; and (2) execute a new Three Party Agreement with the City of Bellevue and King County to collaboratively plan and determine the feasibility of a potential city project to re-align 120<sup>th</sup> Avenue NE.

**KEY FEATURES SUMMARY**

- Sound Transit and the City of Bellevue are amending two related agreements originally executed in 2011--the Umbrella Memorandum of Understanding (MOU) and the Transitway Agreement.
- The proposed MOU amendment:
  - Addresses project certainty, coordination of city capital projects with East Link Extension work, terms around a potential Operations and Maintenance Satellite Facility (OMSF) in the Bel-Red transit node in Bellevue, and financial terms.
  - Confirms the components of the City of Bellevue “up-front” contribution towards construction of the downtown Bellevue tunnel, valued in the 2011 MOU at \$100 million. The contribution consists of property, utility relocations, and cash payments.
  - Eliminates the city’s “contingency contribution” of up to \$60 million, which would have been due at the end of tunnel construction, as a result of the cost savings effort and work to provide additional certainty for the project through construction.
  - Eliminates Bellevue’s termination rights included in the 2011 MOU regarding its financial contribution to the Downtown Bellevue tunnel.
  - Provides for property conveyances between Sound Transit and the City of Bellevue to support construction and operations of East Link, Transit Oriented Development, and a 300 stall city provided public park and ride.
  - Establishes a collaborative construction framework for efficient project delivery.
- The proposed Transitway Agreement amendment addresses Sound Transit maintenance of the East Link project within City right-of-way to ensure on-going compliance with permit requirements related to light rail train noise.
- The proposed Three Party Agreement provides that the Sound Transit, King County, and the City of Bellevue will work together collaboratively to plan and determine the feasibility of a city project to re-align 120<sup>th</sup> Avenue NE located adjacent to the potential OMSF in Bel-Red.

**BACKGROUND**

The East Link Extension would extend light rail to East King County via I-90 from Downtown Seattle to Mercer Island, Bellevue, and the Overlake area of Redmond, with stations serving

Rainier Avenue/I-90, Mercer Island, South Bellevue, E. Main, Downtown Bellevue, Hospital, the Bel-Red Corridor at 120<sup>th</sup> and 130<sup>th</sup>, Overlake Village, and the Overlake Transit Center. The project route, profiles, and station locations, including the tunnel route in downtown Bellevue, were selected by the Sound Transit Board on July 28, 2011 and amended on April 25, 2013. Revenue service between Seattle and the Overlake Transit Center is planned for June 2023.

The proposed MOU amendment addresses project certainty, coordination of city capital projects with East Link, terms around a potential Operations and Maintenance Satellite Facility (OMSF) in the Bel-Red transit node in Bellevue, and financial terms.

The proposed amendments increases certainty for both parties heading into construction and provides commitments with regard to the construction impacts of the project, including maintenance of traffic (MOT), the South Bellevue park-and-ride closure, and noise mitigation.

The MOU amendments would also address coordination of capital projects planned by the city with Sound Transit's East Link project. The parties have identified approximately \$35 million of projects where the agency best suited to deliver certain project elements will take the lead in construction so as to reduce the total costs to the public.

The amended agreements also address the potential for an OMSF to be located in the City's Bel-Red area. The OMSF project is in environmental review, with four site alternatives under consideration (three in Bellevue and one in Lynnwood). Last July, the Board identified the BNSF Alternative in Bellevue as the Preferred Alternative (Motion No. M2014-51) and issuance of the Final EIS is expected later this year. Following issuance of the Final EIS, if the Board selects an OMSF alternative in Bellevue to build, Sound Transit will design the facility to accommodate transit-oriented development (TOD) and will include design features to allow the facility to be more compatible with anticipated future development in Bel-Red. The amended agreement includes a commitment that if the OMSF is sited in Bel-Red, it will include development of a trail within approximately a one-mile stretch of the Eastside Rail Corridor, and pedestrian/bicycle connections from that trail to 120th Avenue NE, allowing for access from the trail to the East Link light rail station at 120th.

After completion of environmental review, and if the Board selects an OMSF alternative in Bellevue, the parties anticipate entering into a development agreement that would provide detail around the infrastructure and other features of TOD adjacent to the OMSF. In addition, the City will process a code amendment to create an administrative permitting process for the OMSF.

The MOU amendment confirms the components of the City of Bellevue "up-front" contribution towards construction of the downtown Bellevue tunnel, valued in the 2011 MOU at \$100 million. The contribution consists of property, utility relocations, and cash payments. Through a cost savings effort and work to provide additional certainty for the project through construction, the City's "contingency contribution" of up to \$60 million, which would have been due at the end of tunnel construction, was able to be eliminated.

Other financial terms include a payment by Sound Transit of \$25 million for East Link permitting and as partial payment for acquisition of property interests that were not included in the City's "up-front" contribution. The remainder of Sound Transit's payment for use of additional City property will be addressed through conveyance of property interests between the City and Sound Transit.

The City will provide Sound Transit additional use of City Hall property, including the recently acquired "Metro" parcel, and use of the Lincoln Plaza commercial property owned by the City east of I-405. Sound Transit will provide the City with property being purchased for construction

staging and park-and-ride development at the 130th station. The City will develop the 130th station property with transit oriented uses, likely to include mixed-rate housing units, and provide to Sound Transit 300 parking stalls for permanent public park-and-ride use.

The proposed Transitway Agreement amendment addresses Sound Transit maintenance of the East Link project within City right-of-way to ensure on-going compliance with permit requirements related to light rail train noise.

The proposed Three Party Agreement provides that the City, King county and Sound Transit will work together collaboratively to plan and determine the feasibility of a future city project to re-align 120<sup>th</sup> Avenue NE located adjacent to the potential OMSF in Bel-Red.

Environmental compliance pursuant to the State Environmental Policy Act (SEPA) for East Link was completed with the East Link Project Final Environmental Impact Statement (EIS) issued on July 15, 2011 and East Link Extension 2013 SEPA Addendum issued March 26, 2013. The Federal Transit Administration and Federal Highway Administration issued a Record of Decision for the project on November 16, 2011 and November 17, 2011, respectively, completing the National Environmental Policy Act (NEPA) process.

PROJECT STATUS

Project Identification	Alternatives Identification	Conceptual Engineering	Preliminary Engineering	Final Design	Construction
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Projected Completion Date for East Link Extension Project: 2Q 2023

FISCAL INFORMATION

Some elements of the initial MOU were integrated into the Agency Finance Plan. The following is provided for clarification.

The City of Bellevue’s contingency contribution of \$60 million was previously assumed within the agency’s financial plan as a contribution from the City of Bellevue. These funds are no longer assumed within the plan.

The transfer of the property at 130<sup>th</sup> was not assumed as revenue within the financial plan and therefore will not adversely impact the financial plan and Sound Transit is receiving use of additional city property.

The MOU is affordable within the agency’s existing financial plan. Under the existing long-term financial plan, 60% of the agency’s TIFIA loan for the East Link Project is allocated to the East King subarea for subarea reporting purposes, with the remainder of the loan allocated for the other subareas.

SMALL BUSINESS/DBE PARTICIPATION AND APPRENTICESHIP UTILIZATION

Not applicable to this action.

## PUBLIC INVOLVEMENT

Sound Transit is committed to actively seeking public feedback at key design milestones for East Link Extension. Since 2006 when the project began, Sound Transit has hosted public meetings, drop-in sessions, stakeholder briefings and attended community festivals.

During final design, Sound Transit:

- Informed the public with briefings, public meetings and frequent updates on social media and the ST website
- Asked for public input before making design decisions
- Considered and addressed public input whenever it was technically and financially feasible
- Reported back to the public about how design has progressed
- Notified residents, property owners and businesses before conducting work in the field
- Prepared communities for utility relocations and heavy civil construction

To make information about East Link as widely available as possible, Sound Transit used a variety of communications methods including: postcards, e-newsletters, social media posts, press releases and door-to-door outreach. Additionally, many local neighborhood blogs, partner jurisdiction newsletters and community newspapers have carried articles about the advancement of East Link design and how to provide input.

## TIME CONSTRAINTS

A one month delay would impact the ability to prepare the East Link Extension for construction. The downtown Bellevue tunnel contract, which is being prepared for advertisement, is dependent upon the MOU amendments.

## PRIOR BOARD/COMMITTEE ACTIONS

Motion No. M2014-51: Identified the preferred site for the Link Operations and Maintenance Satellite Facility Final Environmental Impact Statement and approving Gate 3 - Identifying Preferred Alternative within Sound Transit's Phase Gate process.

Resolution No. R2013-09: Selected the route, profiles, and station locations for the East Link Light Rail Project, and superseding Resolution No. R2011-10.

Motion No. M2012-82: (1) Identifies Link Operations and Maintenance Satellite Facility site alternatives to be studied in detail in the project Environmental Impact Statement, and (2) approves Gate 2 within Sound Transit's Phase Gate process.

Motion No. M2011-81: Implemented the East Link Light Rail Project.

Motion No. M2011-77: Authorized the Chief Executive Officer to (1) execute an Umbrella Memorandum of Understanding with the City of Bellevue to reduce Sound Transit's costs associated with the construction of a tunnel alignment in downtown Bellevue, and (2) execute a Transitway Agreement with the City of Bellevue to grant Sound Transit non-exclusive use of City right-of-way to construct, operate, and maintain the East Link project.

Resolution No. R2011-10: Selected the route, profiles, and station locations for the East Link Light Rail Project.

Motion No. M2011-62: Authorized the Chief Executive Officer to enter into a term sheet with the City of Bellevue regarding the East Link Project.

Motion No. M2010-44: Modified the preferred light rail routes and stations previously identified in Motion No. M2009-41 for the East Link Light Rail Project Final Environmental Impact Statement.  
Motion No. M2009-41: Identified the preferred light rail routes and stations for the East Link Light Rail Project Final Environmental Impact Statement.

ENVIRONMENTAL REVIEW

JI 4/15/2015

LEGAL REVIEW

SGS 4/17/15

## **MOTION NO. M2015-33**

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to (1) execute amendments to the Umbrella Memorandum of Understanding and Transit Way Agreement with the City of Bellevue to address permitting, project coordination, a potential Bellevue OMSF, financial terms, and maintenance of the East Link project; and (2) execute a new Three Party Agreement with the City of Bellevue and King County to collaboratively plan and determine the feasibility of a potential city project to re-align 120<sup>th</sup> Avenue NE.

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**MOTION:**

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to (1) execute amendments to the Umbrella Memorandum of Understanding and Transit Way Agreement with the City of Bellevue to address permitting, project coordination, a potential Bellevue OMSF, financial terms, and maintenance of the East Link project; and (2) execute a new Three Party Agreement with the City of Bellevue and King County to collaboratively plan and determine the feasibility of a potential city project to re-align 120<sup>th</sup> Avenue NE.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on April 23, 2015.



Dow Constantine  
Board Chair

ATTEST:



Kathryn Flores  
Board Administrator